

Qimiao Fan
Country Director for Bangladesh, Bhutan & Nepal

May 16, 2018

Mr. Kazi Shofiqul Azam
Secretary
Economic Relations Division
Ministry of Finance
Dhaka, Bangladesh

Dear Secretary Azam:

**Re: IDA Financing 6209-BD
Sustainable Enterprise Project
Additional Instructions: Disbursement and Financial Information Letter**

I refer to the Financing Agreement between People's Republic of Bangladesh ("Recipient") and the International Development Association ("Association") for the above-referenced Project, dated May 16, 2018. The General Conditions, as defined in the Financing Agreement, provide that the Association may issue additional instructions regarding the withdrawal of the proceeds of IDA Financing 6209-BD ("Financing"), and specify certain financial management reporting and audit requirements. This letter ("Disbursement and Financial Information Letter" or "DFIL"), as revised from time to time, constitutes such additional instructions.

The Disbursement Guidelines for Investment Project Financing dated February 2017, ("Disbursement Guidelines") are available in the Association's public website at <https://www.worldbank.org> and its secure website "Client Connection" at <https://clientconnection.worldbank.org>. The Disbursement Guidelines are an integral part of this Disbursement and Financial Reporting Letter, and the manner in which the provisions in the guidelines apply to the Financing is specified below.

I. Disbursement Arrangements, Withdrawal and Reporting of Financing Proceeds

(i) Disbursement Arrangements:

- **General Provisions** (Schedule 1). The table in Schedule 1 sets out the disbursement methods which may be used by the Recipient, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications), instructions on supporting documentation.

(ii) Electronic Delivery. Refer to section 11.01 (c) of the General Conditions:

- The Association may permit the Recipient to electronically deliver applications (with supporting documents) through the Association's web-based portal (<https://clientconnection.worldbank.org>) "Client Connection". This option may be effected if: (a) the Recipient has designated in writing, its officials who are authorized to sign and deliver Applications and to receive Secure Identification Credentials ("SIDC") from the Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Recipient have registered as users of "Client Connection". The designated officials may deliver Applications electronically by completing the Form 2380, which is

accessible through “Client Connection”. The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The Association reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Recipient confirms through the authorized signatories letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, available in the Association’s public website at <https://worldbank.org> and “Client Connection”; and (b) to cause such official to abide by those terms and conditions.

II. Financial Reports and Audits.

- (i) **Financial Reports.** The Recipient through Palli Karma-Sahayak Foundation (PKSF) shall prepare and furnish to the Association not later than sixty (60) days after the end of each calendar quarter, Interim Unaudited Financial Reports (IUFR) of the Project covering the calendar quarter.
- (ii) **Audits.** Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period shall be furnished to the Association through PKSF not later than six (6) months after the end of such period.

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Association’s public website and “Client Connection”. The Association recommends that you register as a user of “Client Connection”. From this website you will be able to prepare and deliver applications, monitor the near real-time status of the Financing, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the Association by email at clientconnection@worldbank.org.

If you have any queries in relation to the above, please contact Mr. Satish Kumar Shivakumar, Finance Officer, at satishkumar1@worldbank.org using the above reference.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION



Qimiao Fan
Country Director for Bangladesh, Bhutan & Nepal

Attachments

1. Form of Authorized Signatories Letter
2. Format of Interim Unaudited Financial Report

Schedule 1: Disbursement Provisions

Basic Information					
Financing Number	IDA 6209-BD	Country	People's Republic of Bangladesh	Closing Date	Section III.B.2 of Schedule 2 to the Financing Agreement.
		Recipient	People's Republic of Bangladesh		
		Name of the Project	Sustainable Enterprise Project	Disbursement Deadline Date <i>Subsection 3.7</i> **	Four months after the closing date.
Disbursement Methods and Supporting Documentation					
Disbursement Methods Section 2*	Methods Available		Supporting Documentation Subsections 4.3 and 4.4		
Direct Payment	Yes		Copy of Records		
Reimbursement	Yes		Interim Unaudited Financial Report ("IUF") (Attachment 2 of the DFIL)		
Designated Account	Yes		For the reason set forth in subsection 5.2 of the Disbursement Guidelines, providing advance proceeds into a designated account is not a Disbursement Method currently available under this Financing.		
Special Commitments	Yes		Copy of Letter of Credit. Proforma Invoice if cited in the Letter of Credit		
Minimum Value of Applications (subsection 3.5)					
The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is USD 10,000 equivalent.					

Authorized Signatures (Subsection 3.1 and 3.2 **) <i>The form for Authorized Signatories Letter is provided in Attachment 1 of this letter</i> Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)	
Authorized Signatories Letter: The World Bank E-32 Agargaon Sher-e-Bangla Nagar Dhaka 1207, Bangladesh Attention: Country Director	Withdrawal and Documentation Applications: The World Bank No. 11, Taramani Main Road Taramani, Chennai – 600 113 India Attention: Team Lead, WFALA
Additional Instructions	
(i) All payments for expenditures claimed under this Financing must be made using the banking system, except expenditures paid using the petty cash system following the Recipient's existing policy. The petty cash limit as per the Recipient's existing policy is BDT 100,000.	
(ii) In case of Category 1 - Grants under Parts 1.1 and 1.2 of the Project, Common Service Loans under Part 1.3 of the Project and category 2 – Sub-loans under Part 2 of the Project included in the withdrawal table of Schedule 2 Section III.A of the Financing Agreement, incurred and paid expenditures are to be claimed in the IUFR.	

*Sections and subsections indicated relate to the Disbursement Guidelines for Investment Project dated Financing 2017.

Princess

Attachment 1 - Form of Authorized Signatories Letter

[Letterhead]
Minister of Finance
[Street address]
[City] [Country]

[Date]

The World Bank
E-32 Agargaon
Sher-e-Bangla Nagar
Dhaka 1207, Bangladesh
Attention: Country Director

Re: IDA Financing 6209-BD
(Sustainable Enterprise Project)

I refer to the Financing Agreement (“Agreement”) between the International Development Association (“Association”) and [name of Recipient] (“Recipient”), dated _____, providing the above Financing. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any [one]¹ of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal under this Financing.

For the purpose of delivering Applications to the Association, [each]² of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting [individually]³ [jointly]⁴, to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

[This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Association by electronic means. In full recognition that the Association shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of SIDC”), the Recipient represents and warrants to the Association that it will cause such persons to abide by those terms and conditions.]⁵

¹ Instruction to the Recipient: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. *Please delete this footnote in final letter that is sent to the Association.*

² Instruction to the Recipient: Stipulate if more than one person needs to jointly sign Applications, if so, please indicate the actual number. *Please delete this footnote in final letter that is sent to the Association.*

³ Instruction to the Recipient: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Association.*

⁴ Instruction to the Recipient: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Association.*

⁵ Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. *Please delete this footnote in final letter that is sent to the Association.*

This Authorization replaces and supersedes any Authorization currently in the Association's records with respect to this Agreement.

[Name], [Position] Specimen Signature: _____

[Name], [Position] Specimen Signature: _____

[Name], [Position] Specimen Signature: _____

Yours truly,

/ signed /

[Position]

Attachment 2 - Format of Interim Unaudited Financial Report

IDA Credit No. XXXX-BD
 1 C. Project Expenditure by Category
 For the Reporting Quarter: XXXXX - XXXXX 201X

Category No	Category Description	IDA Eligible Expenditure BDT in Million					
		For the Quarter			Cumulative to date		
		Paid form DA	Paid from GoB	Total	Paid form DA	Paid from GoB	Total Cumulative to date
1							
2							
	Total						

Designated Account (DA) Activity Statement
For the Reporting Period: _____

Project Name: _____
 IBRD/IDA Loan No.: _____
 Deposit Bank: _____ A/C No: _____
 Currency of DA: _____

PART I			
1. Cumulative advances to end of current reporting period			0
2. Cumulative expenditures to end of last reporting period			0
3. Outstanding Advance to be accounted (line 1 minus line 2)			0
PART II			
4. Opening DA balance at beginning of reporting period (as of _____)			0
5. Add/subtract: Cumulative adjustments (if any)		0	
6. Advances from World Bank during reporting period		0	
7. Add lines 5 and 6			0
8. Outstanding advances to be accounted for (add line 4 and line 7)			0
9. Closing DA balance at end of current reporting period (as of _____)		#REF!	0
10. Add/subtract: Cumulative adjustments (if any) including Advance under categories 1 and 2		0	
11. Expenditures for current reporting period		0	
12. Add line 10 and line 11			0
13. Add line 9 and line 12			0
14. Difference (if any) (line 8 minus line 13)			0

BDT in Million

Disbursement Category	In Taka		
	(a)	(b)	(c)
	Cash Requirements for the next quarter	Cash Requirements for the	IDA eligible total cash requisition for 6 months
	XXXXX-XXXXX 201X	XXXXX-XXXXX,201X	XXXXX-XXXXX 201X
Total IDA			

Statement of Required Advance to Special Account

BDT in Million

Particulars	BDT
Projected IDA eligible expenditure for the next six months	
Less: Closing DA Balance	
Less: Advance Received to DA Account	
Less: Unadjusted Advance	
Required amount for next six month	
Requested amount to be advanced to DA	

**B. Designated Account Expenditure for Contracts/ Not Subject to prior Review (Summary
For the Reporting Quarter: XXXXX - XXXXX ,201X**

Disbursement Category and Description	Contract Value	Amount Invoiced	Amount Paid from Designated Account	In case of categories 1 and 2, advance paid to POs and MEs during the quarter (not to be claimed)	In case of categories 1 and 2, expenditures reported by POs and MEs during the quarter (to be claimed under the relevant category)
Total					